

**Access to Microfinance & Improved Implementation of Policy Reform
AMIR Program**

Funded By U.S. Agency for International Development

Consensus Building Meeting

Final Report

Deliverable for BAI Component Milestone # 4

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1. Executive Summary

On June 22, 1998, the AMIR program hosted a consensus building meeting at the Raddison SAS Hotel which was attended by board members and several executives from most of the significant Business Associations (BA) in Jordan. This was the first meeting of its kind in Jordan, and it followed closely on the heels of the AMIR sponsored BA membership survey completed in May 1998.

The objective of the meeting was to achieve consensus on two or three topics upon which joint program of advocacy, public - private fora, and public awareness campaigns, could be built.

A broad consensus was reached that the following issues are most important to the Jordan business community in 1998/9 :

- International trade and related issues such as bilateral, regional, and international free trade agreements (WTO / PR); customs law and regulations; the tariff structure; export promotion and facilities; and access to markets.
- Human resources development geared to the future Jordanian economy.
- Clarity, certainty, and stability of macro-economic policies after the end of the Economic Reform Program in the spring of 1999.
- Inter-Business Associations coordination and collaborative efforts regarding economic issues business issues, policies, and laws.
- The public sector-private sector dialogue.

2. Introduction

The AMIR Program aims at improving the capacity of Jordanian Business Associations (BAs) for advocacy and lobbying. This objective is important because of the recently expanded role of the private sector and its representative organizations. BAs have been asked to express their opinion, to take positions and conduct a continuous dialogue with the public sector concerning macro-economic policies, business issues, and major laws that are being revised or introduced. BAs were invited to participate in the revision process of some major laws such as the Company's Law, the Sales Tax Law and the Labor Law. Some of the new laws, in which the opinion of BAs has been sought, were the proposed Anti-Trust Law, IPR Law, and Law on Privatization.

BAs can strengthen their advocacy and lobbying capability if they can increase their ability to conduct policy analysis and professional public relations. Improved capacity for lobbying and advocacy has three prerequisites. First, BAs have to do more serious, in-depth analysis of policies and issues. Second, they have to more professional work of public relations. Third, they have to cooperate in analysis, PR, and advocacy in order to be taken seriously, and to have a strong impact. But the whole process cannot start until BAs agree on which policies/business issues to concentrate over a period of time. The possibilities of cooperation and of pooling of resources among BAs will increase if the list of priority policies/issues is short.

Within the above context, members of boards of directors were invited from eleven BAs to attend a "Consensus Building Meeting" on June 22nd, 1998. The letter of invitation indicated that the "objective of the meeting is to provide board members of a number of Jordanian business associations with the opportunity to identify and develop a consensus on what the most important issues will be for the business community related to Jordan's competitiveness and ability to attract investment in 1998-1999". Also, the meeting would be used on an opportunity to share with the participants the main findings of the BAs Membership Survey which was completed on 5/30/1998 with the cooperation of ten BAs. An important part of the survey was about what responding members thought were the most important issues facing them currently. It was thought that this presentation will provide information useful to the participants in this meeting. Hopefully, it would provide credibility to AMIR, and appreciation for fast and useful feedback to the boards of the BAs.

The attached list of participants shows excellent participation by the BAs. Representatives from eleven BAs attended. The BAs represented in the meeting reflected all sectors in the economy, especially domestic and international trade, industry, agriculture and tourism. All but two participants were of the level of members of board of directors. They included two chairmen, one vice chairman and four secretary generals. The quality of the participants was also excellent. Participants were not only the most active on their boards of directors but also prominent persons in the private sector in their own right. Dr. Tayseer Abdel Jaber, for example, is a leading Jordanian consultant/economist and ex Under Secretary of the UN Secretary General (ESCWA). Mr. Elia Nuqul, a leading businessman, Mr. Fakhri Bilbeisi, a senior figure in banking. Mr. Laith Al-Qasem is a well known entrepreneur-manager of the new generation of business leaders.

The meeting was held on Monday June 22nd, 1998 between 5:00 - 7:45 p.m. at the Radisson SAS Hotel, Amman, Jordan. Attached are the list of participants and the agenda of the meeting.

3. Proceedings

3.1 Presentation of BAs Membership Survey Findings

Key data tables were selected to show the main findings of the recently completed, AMIR sponsored, BA membership survey with regards to services and issues. The following was presented and discussed:

Business Associations Services:

- BAs Members Satisfaction Levels in Total Sample
- BAs Most Favored Services
- BAs Services that Need Improvement
- Members Proposals of Additional Services

Business Issues Awareness:

- Important Business Issues in Total Sample
- Importance of Membership in WTO
- Awareness of Business Issues in Total Sample
- Laws Suggested for Amendment / Addition.

The participants were informed that the total findings of the study are available for the benefit of the eleven BAs that participated in the survey and the Consensus Building Meeting.

3.2 Discussion of Business Issues

Most of the meeting was devoted to the discussions of the business issues. Participants were challenged to discuss, identify, and come to a degree of consensus on what the most important issues will be for the business community in 1998-99, as they relate to Jordan's competitiveness and the ability to attract investments. The participants were asked to develop a "Business Agenda" at the national level, and not at the scope of the individual BA.

In the first stage of this part of the meeting, the floor was opened for brainstorming and open discussions. After a break, in the second stage, BA representatives were asked to "take a position". Each BA submitted written 2-3 word statements of what, in their opinion, are the top issues on the national business agenda. These were for all to see, thus enhancing commitment. At the third stage, each BA was asked to explain the issues they posted, why are they important, and the implications for the business community.

What is interesting is that members discussed not only the issues, but also, very forcefully asserted that the BAs' advocacy and lobbying efforts were weak; and the need of BAs to cooperate and to meet regularly. One participant suggested the AMIR might be the party to arrange for these meetings. The BAI component leader took the opportunity at this point to explain the AMIR Program's objective of strengthening the BAs capability in advocacy and lobbying and how this capability is related to the ability to do policy analysis and PR on a professional level. Then, it was explained that the project's TA and training would be most useful when a number of BAs cooperate in advocacy and lobbying on issues of concern to the business community as a whole. Thus, underlying the need to reach a degree of consensus on some issues.

The following are some points raised during the open discussion:

- What the survey respondents identified are mostly the symptoms or consequences of a lack of clear path for the development of the economy of Jordan. Therefore, it is up to the private sector to cooperate in sponsoring a position paper (similar to a "white paper") on what strategies, what path should the Jordanian economy take in order to succeed in the next 20-30 years.
- Only when the objectives are clear, will we be able to take an intelligent position on the various issues and laws.
- The private sector in Jordan should have a public relations company and provide it with its needs and requirements. This project is a ten year program. This company should know about the over employment at the government level. Currently, the associations (private sector) are paying for the salaries of the government employees.
- .
- The private sector should change the mentality of personnel by start working on this project (company) as it is very essential, the USAID could help in this regards.
- One of the main and big problems is the custom's laws. The current laws are restricting the private sector's progress and making it very frustrating and difficult to survive.
- The private sector is faced with a new subject that deals with the real cooperation which it seeks. The government is regulating the new laws without constructive consultation. Regular meetings are suggested to discuss the existing problems and to obtain the proper agreement.

- In addition to customs laws and lack of consultation by the government, there is a third issue, which is the education system. There are no real statistics illustrating the future skills of our country needs, which will enable us to direct our children to the most demanding jobs required for our economy (e.g. hotel management due to the increased number of new hotels in our country).
- The problem is with the private sector itself, and as long as each of the principal associations is working by itself, then associations will never be able to agree. Therefore, they should all unite together and discuss all the pending issues and existing problems. The current situation is that no achievements have been made. They are getting tired of the situation that leads government officials to manifest their happiness over the current issues. Therefore, a regular monthly meeting is suggested to discuss problems on hand in order to achieve future success.
- Without harmony, associations cannot achieve any coordination and cooperation to do their job properly.
- AMIR can help. Associations may be able to come out with resolutions and contact the government to raise their issues.
- If associations are all represented under one umbrella, that could have effect on the government decisions.
- All the private sector agrees and is fully aware of the diagnosis, but its needs to continue by having the therapy and the right treatment
- Regarding the public relations office, this has been discussed before through Jordan Tourism Board (JTB). As a private sector with a budget of 1.5 million Jordan Dinars it seems that we have limited resources and can not change the current laws. We have to think of the year 2000 as we are expecting over 5 million tourist to visit Jordan and the West Bank. The issue is:
Does Jordan have sufficient qualified people for the upcoming tourists such as hotels, transportation, handicraft, airlines, and is it equipped to meet this demand.

3.3 Identification of Important Business Issues

In the second stage of the discussion, participants from the various BAs identified more precisely and in few words which issues they judge to be most important to the business community in 1998-99. The following is a brief of their positions:

Jordan Society of Travel Agents:

- Modernization of Laws
- Training and education

The tourism sector is expecting over 5 million tourists to visit Jordan and the West Bank by the year 2000. Its objective is to prepare ahead of time and to have the proper training and the education of all sectors of the tourism industry, i.e airport staff, guides, transportation personnel, hotel employees and other individuals that should be educated as how to deal with the coming tourist's events. Laws are changing rapidly without any notice which prevent us to predict any upcoming events from now until the year 2000 for an example the fees for obtaining visas, allowing certain nationalities to enter the country ... etc.

There will be twenty 5 star hotels. A total of about 18,000 rooms. The sector needs qualified staff of about 8,000. The Ammoun Hotel College can train up to 800/year. The year 2000 can have an impact on the economy as a whole.

Jordan Exporters & Producers Association for Fruits & Vegetables

- W.T.O.
- E.C. Partnership
- B.A. not being consulted by public sector in trade issues

Duties on export are up to 18% high. Another problem are the salaries which are very low in comparison with the salaries in Israel, e.g a month's salary for a Jordanian employee is equal to one day salary for an Israeli employee. Also, business the association is not being consulted by the public sector. Therefore we need proper consultations.

Jordan Businessmen Association

- Macroeconomic Policy
- EU Partnership
- Privatization
- Educational System
- Customs Law
- Public - Private Dialogue
- BAs Cooperation
- Professional PR

Jordan needs to have a new policy and a new system to meet the year 2000.

Two third of the population do not know about the equalization and what is expected from foreign partnership

The private sector needs to be concerned about the quality of education for the upcoming graduates. Jordan should have new vocational training centers, where needed, to train potential employees. For example there will be a need of an estimated 8000 potential employees for the new upcoming hotels. We are very concerned about their proper training.

Jordan Trade Association

- International trade laws and regulations.
- Customs
- Export
- Internal house keeping
 - Private sector coordination
 - Public sector improvement
- Human resources
 - Training and education
 - Labor laws

Jordan needs to improve the public sector, training and education.

Amman World Trade Center

- Regulations for international trade and foreign investments
- Quality of work force and labor market
- Availability of information and data about the market
- Business associations to help define clear national economic objectives
- Anything to promote exports : focus on value added for international agreements
- Labor to be trained according to national objectives
- Like private sector, promote meritocracy in government (hire and fire)
- Laws to promote all high value added industries and all services

Traders and business people need a system in getting information immediately upon request. This is mostly needed in the business associations as they should contact the government and have a document submitted as a frame work on our needs. Also all the sectors should be covered such as tourism, industry ... etc.

International agreement should do something substantial, to assist the Jordanian companies.

We need to look forward for training the labor.

Force the government to set a criteria in the system in which to determine procedures of engaging and letting go of certain employees

Amman Chamber of Industry

- BA's Cooperation
- Tariffs on imported raw materials and semi finished components for industry
- Access to regional markets

- Customs law and regulations

4.0 Conclusions

4.1 Area of Broad Consensus

In the concluding part of the meeting, a broad consensus was reached that the following issues are of most importance to the business community in Jordan in 1998-99:

- International trade and related issues such as bilateral regional and international free trade agreements (WTO / PR); customs law and regulations; the tariff structure; export promotion and facilities; and access to markets.
- Human resources development geared to the future Jordanian economy.
- Clarity, certainty, and stability of macro-economic policies after the end of the Economic Reform Program in the spring of 1999.
- Inter-Business Associations coordination and collaborative efforts regarding issues business issues, policies, and laws.
- The public sector-private sector dialogue.

4.2 Implications for the AMIR program

The above conclusions have several implications for the AMIR Program:

- The Consensus Building Meeting was the first meeting held in Jordan for members of the boards of directors of eleven main BAs to discuss the main issues of utmost importance to the business community and to attempt to reach a broad consensus on the issues.
- The outcome of the meeting provides guidelines to the three components of AMIR; especially concerning what issues to address in the public awareness activities of the program in the next two years.
- The meeting set the stage to attempt to construct a cooperative program of advocacy among a number of Jordanian BAs. But further work and preparations are necessary.
- The meeting provides guidelines for all the remaining seven milestones of the BAI component. But, they will be especially valuable for the Strategic Plans (MS 6 and 7), the small grants program (MS 9), and the public-private forums (MS 10)

